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Sent: Tue 1/28/2014 11:24:45 AM

Subject: BNA: Freedom Industries Inc. Ordered to Begin Removing Storage Tanks, Pipes by March 15

<u>Daily Environment Report: News Archive > 2014 > January > 01/28/2014 > News > </u>

Storage Tanks

Freedom Industries Inc. Ordered to Begin Removing Storage Tanks, Pipes by March 15

BNA Snapshot

WVDEP Consent Order 8034

Key Development: The West Virginia DEP orders Freedom Industries Inc. to begin removing by March 15 all above-ground storage tanks, pipelines and machinery at its Charleston, W.Va., facility.

What's Next: The WVDEP Consent Order 8034 is open for public comment through Feb. 24.

By Rachel Leven

Jan. 27 — West Virginia Gov. Earl Ray Tomblin (D) ordered Freedom Industries Inc., the company responsible for a chemical spill that contaminated drinking water for more than 300,000 people, to break down and remove all above-ground storage tanks, pipelines and machinery at its Etowah River Terminal.

Freedom Industries Inc. must begin to dismantle the equipment at its Charleston, W.Va., facility by March 15, and all chemicals must be removed from the storage tanks by that date, according to the <u>order</u> officially issued by the West Virginia Department of Environmental Protection (WVDEP) and announced Jan. 25.

While the three tanks that contained the 4-methylcyclohexane methanol that leaked into the Elk River on Jan. 9 are now empty, 14 above-ground storage tanks containing calcium chloride and glycerin still need to be cleared, and all 17 tanks need to be removed, the order said.

The company is also required to install adequate secondary containment measures to prevent any additional chemical spills during the dismantling of the equipment. Freedom Industries must report weekly to the WVDEP on the removal of materials within the tanks and dismantling of the above-ground tanks until the process is completed, the order said.

As of Jan. 20, the company had removed 269,419 gallons—or 20 percent—of the remaining chemicals at the facility.

Gary Southern, the president of Freedom Industries, and Scott Mandirola, director of WVDEP's Division of Water and Waste Management, signed the order Jan. 24.

Tomblin's office did not immediately respond to a Bloomberg BNA request for comment.

WVDEP Rules Under Scrutiny

About 7,500 gallons of 4-methylcyclohexane methanol, a coal-cleaning chemical, leaked from the Freedom Industries site into the Elk River. The facility is located upstream from a water treatment plant serving Charleston and nine surrounding counties. The leak prompted a state of emergency that restricted 300,000 people in the region from drinking their tap water.

The company was not subject to environmental regulations because it didn't manufacture chemicals, didn't have any emissions and didn't store any substances underground, which allowed safety issues at the site to go undetected, the WVDEP has said. However, the chemical spill has brought the state's lack of regulations for above-ground storage facilities to the attention of federal and state officials, who are working to close the loophole.

The West Virginia Senate has scheduled a third reading Jan. 28 on S.B. 373, a bill that would require additional oversight of above-ground facilities. For example, the bill would require annual inspections of above-ground storage tanks.

Tomblin on Jan. 20 proposed a separate bill that would require above-ground storage facilities to be inspected annually and have their safety certified by professional engineers. The bill also would allow the WVDEP secretary to order a facility to take corrective action when storing material that could affect public safety and health (14 DEN A-13, 1/22/14).

The spill has drawn national attention. On Jan. 17, Sen. Joe Manchin (D-W.Va.) announced he was co-sponsoring federal legislation to regulate above-ground chemical storage tanks. The Chemical Safety and Drinking Water Protection Act, drafted by Senate Environment and Public Works Committee Chairman Barbara Boxer (D-Calif.), Sen. Jay Rockefeller (D-W.Va.) and Manchin, would give states more authority to prevent such spills and require state inspections of above-ground chemical storage facilities (13 DEN A-11, 1/21/14).

On Jan. 17, Freedom Industries filed for Chapter 11 bankruptcy protection.

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